MT LEGISLATIVE HISTORY

Chapter 480 19 85

Bill H _____ S 140 Original bill & hist. ___C

H. Committee on Bus + Labor

S. Committee on Lab + Emp. Rel

Hearing Date(s)		C	Hearing Date(s)		C
	3-22	___C		2-21	___C
	3-27	___C		2-22	___C
	3-28	___C		_____	___C
	_____	___C		_____	___C
Date Out	3-28	___C		2-22	___C

mt 3/28

mt 2-22

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

SB 438 INTRODUCED BY TOWE
CHANGES ELIGIBILITY FOR BEGINNING FARMER LOANS AND REDUCES BOND AUTHORITY

2/15	INTRODUCED		
2/16	REFERRED TO BUSINESS & INDUSTRY		
2/22	HEARING		
2/22	COMMITTEE REPORT-BILL PASS AS AMENDED		
2/26	2ND READING PASS	48	0
2/27	3RD READING PASS	50	0
	TRANSMITTED TO HOUSE		
3/06	REFERRED TO BUSINESS & LABOR		
3/25	HEARING		
3/25	COMM REPORT-BILL CONCURRED AS AMENDED		
3/30	2ND READING CONCURRED	90	4
4/01	3RD READING CONCURRED	95	5
	RETURNED TO SENATE WITH AMENDMENTS		
4/03	2ND READING AMENDMENTS CONCURRED	50	0
4/05	3RD READING AMENDMENTS CONCURRED	45	0
4/12	SIGNED BY PRESIDENT		
4/15	SIGNED BY SPEAKER		
4/15	TRANSMITTED TO GOVERNOR		
4/18	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 542 EFFECTIVE DATE: 4/18/85		

SB 439 INTRODUCED BY GALT, MAZUREK
RESERVED WATER RIGHTS CLAIM APPLICATION
BY REQUEST OF RESERVED WATER RIGHTS COMPACT COMMISSION

2/15	INTRODUCED		
2/16	REFERRED TO JUDICIARY		
2/22	HEARING		
2/22	TABLED IN COMMITTEE		

SB 440 INTRODUCED BY B. WILLIAMS, BOYLAN, ET AL.
ALLOW EMPLOYERS TO OPERATE AS SELF-INSURED UNDER WORKERS' COMPENSATION ACT

2/15	INTRODUCED		
2/16	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
2/21	HEARING		
2/23	COMMITTEE REPORT-BILL PASS AS AMENDED		
2/23	STATEMENT OF INTENT ATTACHED		
2/26	2ND READING PASS	48	0
2/27	3RD READING PASS	50	0
	TRANSMITTED TO HOUSE		
3/06	REFERRED TO BUSINESS & LABOR		
3/22	HEARING		
3/28	COMMITTEE REPORT-BILL CONCURRED		
3/30	2ND READING CONCURRED	91	3
4/01	3RD READING CONCURRED	99	0
	RETURNED TO SENATE		
4/08	SIGNED BY PRESIDENT		

4/09 SIGNED BY SPEAKER

4/10 TRANSMITTED TO GOVERNOR
4/15 SIGNED BY GOVERNOR
CHAPTER NUMBER 480 EFFECTIVE DATE: 10/01/85

SB 441 INTRODUCED BY BENGTSON, TOWE
ALLOW ESTABLISHMENT OF COUNTY FINANCE OFFICE

2/16 INTRODUCED
2/18 REFERRED TO LOCAL GOVERNMENT
2/23 HEARING
2/23 COMMITTEE REPORT-BILL DO PASS
2/26 2ND READING INDEFINITELY POSTPONED 39 5

SB 442 INTRODUCED BY B. BROWN, MOHAR, ET AL.
INCREASING CIGARETTE TAX TO EQUALIZE FINANCING OF SCHOOL DISTRICT RETIREMENT LEVY

2/16 INTRODUCED
2/18 REFERRED TO TAXATION
2/18 FISCAL NOTE REQUESTED
2/23 FISCAL NOTE RECEIVED
3/05 HEARING
3/12 COMMITTEE REPORT-BILL DO PASS
3/14 REREFERRED TO TAXATION
3/18 COMMITTEE REPORT-BILL DO PASS
3/20 REREFERRED TO BUSINESS & INDUSTRY
DIED IN COMMITTEE

SB 443 INTRODUCED BY REGAN
DELAYS REDUCTION IN OIL AND GAS SEVERANCE TAX RATE UNTIL 1987

2/16 INTRODUCED
2/18 REFERRED TO TAXATION
2/18 FISCAL NOTE REQUESTED
2/22 FISCAL NOTE RECEIVED
3/16 HEARING
3/18 TABLED IN COMMITTEE

SB 444 INTRODUCED BY HALLIGAN, COHEN, MOHAR, ET AL.
REQUIRE PSC TO ADOPT RULES TO RECOGNIZE A CITIZENS' UTILITY ORGANIZATION

2/16 INTRODUCED
2/18 REFERRED TO NATURAL RESOURCES
2/22 HEARING
2/23 COMMITTEE REPORT-BILL DO PASS
2/23 STATEMENT OF INTENT ATTACHED
2/26 2ND READING INDEFINITELY POSTPONED 39 10

SB 445 INTRODUCED BY CHRISTIAENS, MILLER
EXEMPT CERTAIN NONPROFIT ORGANIZATIONS FROM CERTAIN GAMBLING LAWS

2/18 INTRODUCED
2/18 REFERRED TO BUSINESS & INDUSTRY
2/22 HEARING
2/22 TABLED IN COMMITTEE

CHAIRMAN--LYNCH, J. D.
NORMAL SCHEDULE==> SITE: ROOM 413/415 DAYS: TU-TH-SAT TIME: 1:00-3:00 P.M.
SECRETARY-DAILY, BETH

--BILL NO---	REFER DATE---	HEARING DATE---	CONSIDERATION DATES----------	COMMITTEE ACTION----------	REREFERRED TO COMM----	DATE OUT-
SB0281	1/30	2/20	2/5, 2/9, 2/14, 2/20	PASS AS AMENDED		2/20
FULLER, DAVID E.			LIMIT LUMP-SUM WORKERS' COMPENSATION PAYMENT			
SB0337	2/07	2/12	2/12	DO PASS		2/12
BLAYLOCK, CHET			CHANGE METHOD OF COLLECTING UNPAID UNEMPLOYMENT COMPENSATION CONTRIBUTIONS			
SB0341	2/07	2/12	2/12	PASS AS AMENDED		2/12
HAFFEY, JACK			AUTHORIZES CHANGE IN WORKING HOURS OF PRISON EMPLOYEES			
SB0356	2/08	2/19	2/22, 2/19, 2/21	PASS AS AMENDED		2/22
STEPHENS, STAN			WORKERS' COMP. EXEMPTION; INDEPENDENT CONTRACTOR WITH NEWSPAPER			
SB0362	2/08	2/19	2/21	DO PASS		2/21
HAFFEY, JACK			RAISE MINIMUM WAGE TO $3.05 10-1-85, TO FEDERAL MINIMUM RATE ON 10-1-86			
SB0393	2/12	2/19	2/22, 2/19	ADVERSE REPORT		2/22
KEATING, THOMAS F.			ABOLISHING LABOR APPEALS BD.; REVISING UNEMPLOYMENT COMP. BENEFIT PROVISIONS			
SB0402	2/13	2/21	2/22, 2/21	PASS AS AMENDED		2/22
FULLER, DAVID E.			AUTHORIZE CERTAIN WORKERS' COMPENSATION LUMP-SUM SETTLEMENTS			
SB0409	2/14	2/21	2/22, 2/21	PASS AS AMENDED		2/22
FARRELL, WILLIAM E.			WORKERS' COMPENSATION MEDICAL EXAMS AND EXPENSES			
SB0430	2/16	2/21	2/22, 2/21	ADVERSE REPORT		2/22
TOWE, THOMAS E.			MONTANA COAL MINE SAFETY ACT OF 1985			
SB0440	2/16	2/21	2/22, 2/21	PASS AS AMENDED		2/22
WILLIAMS, BOB			ALLOW EMPLOYERS TO OPERATE AS SELF-INSURED UNDER WORKERS' COMPENSATION ACT			
SB0447	2/19	2/21	2/22, 2/21	DO PASS		2/22
MANNING, RICHARD E.			SUITABLE WORK FOR UNEMPLOYMENT COMP. PURPOSES, CONFORM STATE TO FED. LAW			

MINUTES OF THE MEETING
LABOR AND EMPLOYMENT COMMITTEE
MONTANA STATE SENATE

February 21, 1985

The meeting of the Labor and Employment Committee was called to order by Chairman J. D. Lynch on February 21, 1985 at 12:30 p.m. in room 413/415 of the State Capitol in Helena, Montana.

ROLL CALL: All members were present.

CONSIDERATION OF SENATE BILL 440: Chairman Lynch called on Senator Williams, sponsor of Senate Bill 440. Senate Bill 440 is an act to allow employers to operate as self-insured under the workers' compensation act by forming groups to be certified as self-insured. (See EXHIBIT 1)

PROPONENTS:

Jay Downen, representing Electric and Telephone Cooperatives, said the bill assures the long-term protection of workers benefits. Over the past years his people have found out that we are paying private insurers tremendous premiums for very little actual loss coverage.

George Wood, representing Montana Self-Insurer's Association, executive secretary, rose in support of Senate Bill 440. He had two concerns that he felt the committee should consider: (1) the question of cross identification for loses between the members of the Association; (2) formation of associations for the express purpose of getting the self-insurance rather than for the purpose of community interest.

Don Judge, representing Montana State AFL-CIO, said the AFL-CIO does not oppose the passage of this bill. He submitted written testimony. (See EXHIBIT 2)

Gary Blewett, Administrator of the Workers' Compensation Division Department of Labor and Industry, said that this association dedicates itself to safety. They want to assure there will be protection toward future claimants under this provision.

Keith Olson, representing Montana Logging Association, rose in support of SB 440.

OPPONENTS:

There were no cpponents.

QUESTIONS OF THE COMMITTEE:

Senator Keating asked Gary Blewett if this bill is passed, would these people have their own group and would their rates go down.

Gary Blewett said they would be self-insured, so they would be paying directly to their own insurance costs.

Senator Towe said the bill language says "any association, corporation, or organization that seeks permission and meets the requirements that were set by the division by rule." He asked what kind of requirements were contemplated for the division to set in allowing this type of group to form.

Senator Williams referred the question to Mr. Downen.

Jay Downen said his group would expect to meet any requirements laid down by the division.

Senator Towe asked if there are any other requirements contemplated.

Jay Downen said, exactly what you see in the language.

Senator Towe asked Mr. Downan how he responds to Mr. Woods' comments about no cross liability.

Jay Downen said those entering a pool would understand by the limits of the law that they are jointly liable.

Senator Thayer asked Mr. Wood if he has seen the 30 pages of suggested ideas.

George Wood replied he hadn't seen the 30 pages but had seen the regulations in other states that allow group self insurance.

Senator Thayer asked Mr. Blewett the same question.

Gary Blewett replied, the package rules that were proposed were drawn exactly from the resources that George Wood was referring to. There are about three different states that have very good programs.

Chairman Lynch asked Jay Downen if he thought amendments were needed for this bill.

Jay Downen said he didn't think so but that he believed the counsel for the division said there were a couple of areas where the language should be tightened.

Steven Shaprio, representing the Department of Labor and Industry as its chief legal counsel, said there are a couple of places in

the old part of the statute that need to be tightened, not the language Mr. Downen has proposed.

Chairman Lynch asked if this would be the proper place to address those in this bill.

Steven Shaprio said, since we are making other changes of greater substance wouldn't it be the time to correct the grammar.

Senator Williams closed on SB 440 saying that many groups will benefit from the passage of this bill.

The hearing was closed on SB 440.

EXECUTIVE SESSION:

ACTION ON SENATE BILL 218: Senator Manning MOVED that SB 218 do pass.

Senator Thayer made a SUBSTITUTE MOTION that SB 218 be laid on the table.

On a voice vote, Senator Thayer's motion to lay the bill on the table passed. Senator Manning voted "no." MOTION PASSED.

ACTION ON SENATE BILL 219: Senator Thayer MOVED that SB 219 be tabled. Senator Manning voted "no" and all other members voted "yes" and the MOTION CARRIED.

ACTION ON SENATE BILL 220:

Senator Manning made a MOTION that SB 220 do pass.

Senator Towe said that this addresses an area that is grossly unfair at the present time. The impact on the fiscal note is severe.

Senator Blaylock asked what we can do.

Senator Towe said the issue has to be addressed some time.

Chairman Lynch said his only response to Senator Towe is that this bill, if tabled, will be referred to the council. He said he agrees with Senator Towe.

Senator Manning asked if, in the event this bill is tabled along with the other two, the committee could write a letter recommending that a thorough study be done and looked at closely.

Chairman Lynch said he would certainly favor that.

Senator Towe said that is a good suggestion; it would be much better if we would write a letter from this committee and emphasize the cost of living, in particular.

Exhibit No. 1
February 21, 1985
SB 440

SB440
A BILL TO EXPAND THE DEFINITION OF "EMPLOYER"
TO INCLUDE GROUPS OF SIMILAR EMPLOYERS
FOR PURPOSES OF INSURING WORKERS' COMPENSATION BENEFITS
PURSUANT TO APPROVAL BY THE DIVISION OF WORKERS COMPENSATION

I The intent of this bill is to continue to assure the inviolability of workers' rights under Montana Workers' Compensation laws. The Division of Workers' Compensation will retain the identical control over a formed self-insurance group as it currently holds over individual self-insurers and private insurers.

II The bill has been drafted by the Division of Workers' Compensation, represented by Mr. Gary Blewett and Chief Council, Steven J. Shapiro and by Montana Associated Utilities by Mr. Jay Downen and Council, Pat McKittrick.

III Many other states permit - either by law or administrative fiat - the pooling of assets for Workers' Compensation coverage. In each jurisdiction of which we are aware, the self-insurance groups are answerable, similarly, to the Workers' Compensation regulatory body. We are aware of no instance where the pools do not function smoothly and in similar fashion to individual self-insurers and private carriers.

IV The strict language contained in this bill would discourage unsafe employers from participating in self-insurance pooling. (Montana's Electric Cooperatives are proud of their job training and safety program which has resulted in only $74,000 in total losses compared to $583,000 in total premiums over the past three years., Nearly half of the $74,000 loss figure was due to a single occurence).

Exhibit No. 2
February 21, 1985
SB 440

MONTANA STATE AFL-CIO
APRIL 29 1936

Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF DON JUDGE ON SENATE BILL 440, BEFORE THE SENATE LABOR AND EMPLOYMENT RELATIONS COMMITTEE, FEBRUARY 21, 1985

Mr. Chairman and members of the Committee, for the record, I am Don Judge, representing the Montana State AFL-CIO. We want to make our position clear, that we do not oppose passage of Senate Bill 440.

The position of the Montana State AFL-CIO has been clearly established through convention position over the years. We support a fair system that provides speedy delivery of adequate benefits to those who have been injured or killed as the result of a job-related incidence.

We are deeply concerned that revenues raised or insurance provided is sufficient to cover the claims. Senate Bill 440 would allow employers who seek such classification to operate as self-insured under the workers' compensation act by forming groups to be certified for such a purpose.

Our primary concern, as always, is with the welfare of the worker. We believe, as this bill has been presented, that the necessary safeguards exist to guarantee that our criteria for speedy delivery of adequate benefits will continue to be met if this option is open to employers.

Thank you.

PRINTED ON UNION MADE PAPER

MINUTES OF THE MEETING
LABOR AND EMPLOYMENT COMMITTEE
MONTANA STATE SENATE

February 22, 1985

The seventeenth meeting of the Labor and Employment Committee was called to order at 2:40 p.m. on February 22, 1985, by Chairman J. D. Lynch in Room 413/415 of the Capitol.

ROLL CALL: All members were present.

EXECUTIVE ACTION ON SENATE BILL 402: Senator Manning made a motion to accept the amendments to Senate Bill 402. (Exhibit No. 1) On a voice vote the amendments passed unanimously.

Senator Keating made a motion that Senate Bill 402 Do Pass As Amended. On a voice vote, the Committee voted unanimously to accept that Senate Bill 402 DO PASS AS AMENDED.

EXECUTIVE ACTION ON SENATE BILL 409: Chairman Lynch offered amendments to Senate Bill 409. (Exhibit No. 2) On a voice vote the Committee voted unanimously to accept the amendments.

Chairman Lynch asked Gary Blewett if these amendments were fine with the Department of Labor. Gary Blewett answered yes.

Senator Keating offered amendments to Senate Bill 409. (Exhibit No. 2).

Chairman Lynch ruled that the amendments include "fees" instead of "charges."

On a voice vote, the Committee voted unanimously to accept Senator Keating's amendments.

Senator Keating made a motion that Senate Bill 409 Do Pass As Amended. On a voice vote, the Committee voted that Senate Bill 409 DO PASS AS AMENDED.

Senator Keating moved that the Statement of Intent be adopted and attached. (Exhibit No. 3) On the Statement of Intent, "fees" was changed to "charges." On a voice vote, the Statement of Intent was adopted and attached.

EXECUTIVE ACTION ON SENATE BILL 440: Senator Manning made a motion to accept the amendments offered by the committee. (Exhibit No. 4) On a voice vote the Committee voted to accept the amendments.

Senator Manning made a motion that Senate Bill 400 Do Pass As Amended. On a voice vote, the Committee voted unanimously that Senate Bill 440 DO PASS AS AMENDED.

Senator Manning made a motion that the Statement of Intent be adopted and attached. (Exhibit No. 5) On a voice vote, the Committee voted unanimously that the Statement of Intent be adopted and attached with Senate Bill 440.

EXECUTIVE ACTION ON SENATE BILL 452: Senator Keating offered amendments to Senate Bill 452. (Exhibit No. 6) Senator Keating moved the amendments. On a voice vote, the Committee accepted the amendments.

Chairman Lynch offered amendments to Senate Bill 452. (Exhibit No. 7)

Senator Keating moved Chairman Lynch's amendments. On a voice vote, the Committee voted unanimously to accept the amendments.

Senator Eck offered amendments to Senate Bill 452. (Exhibit No. 8) On a voice vote, the Committee voted unanimously to accept the amendments.

Senator Aklestad asked if the fire departments are going to have access to these records.

Mike Walker said that is up to the fire department.

Senator Manning made a motion that Senate Bill 452 Do Pass As Amended. On a voice vote, the Committee voted unanimously that Senate Bill 452 DO PASS AS AMENDED.

EXECUTIVE ACTION ON SENATE BILL 430: John MacMaster offered suggestions to the Statement of Intent on Senate Bill 430. (Exhibit No. 9)

Senator Keating moved the amendments to the Statement of Intent. On a voice vote, the Committee voted unanimously to accept the amendments.

Senator Keating made a motion that Senate Bill 430 Do Not Pass. On a roll call vote, 5 Senators voted yes 3 voted no. (See attached sheet, Exhibit No. 10)

Senator Manning moved the Statement of Intent be adopted and attached. On a voice vote, the Statement of Intent was adopted and attached.

EXECUTIVE ACTION ON SENATE BILL 356: Chairman Lynch offered amendments to Senate Bill 356. (Exhibit No. 11)

Retype 1, Draft Form

49th Legislature LC 1700

STATEMENT OF INTENT

Senate BILL NO. 440

A statement of intent is required for this bill because it requires the adoption of rules by the ~~division of~~ workers' compensation division of the department of labor and industry.

The legislature intends that the division adopt only those rules required by section 4 of this bill.

The rules adopted by the division to implement section 4 should require the submission of information regarding the following:

(1) the requirements for formation and certification of an association, corporation, or organization of employers to operate as a group self-insured employer, including provisions for the addition of new members and the withdrawal of existing members;

(2) requirements for proof of solvency of the group self-insurer and to maintain security to insure payment of obligations under the act;

(3) requirements for an indemnity agreement and power of attorney between the individual employers within the group,

including the requirement that all members of the group remain jointly and severally liable;

(4) requirements for and confirmation of excess liability insurance;

(5) requirements for management of the association and annual reports to the division;

(6) requirements for auditing the group self-insurer to determine that it is meeting its obligations under the Workers' Compensation Act;

(7) provisions for the termination of group self-insurance by the group on request and for termination by the division upon determination that the group no longer meets the requirements for certification as self-insured and for determining responsibility for pending claims.

The legislature intends that all group self-insured employers must comply with the provisions of the act and rules enacted thereunder. In developing rules, the legislature intends that employees of the group self-insurer have as much assurance as reasonably possible of the benefits to which they are entitled under the act.

Exhibit 4
2/22/85

Proposed amendments to SB 440, introduced copy.

1. Page 3, lines 3 and 4.
Following: "employer" on line 3
Strike: "does" through "of" on line 4
Insert: "has lost his solvency or financial ability to pay"

2. Page 3, line 13.
Following: "for"
Strike: "such"
Insert: "the"
Following: "payment"
Insert: "of compensation"

February 22, 1985

MR. PRESIDENT,

WE, YOUR COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS HAVING HAD UNDER CONSIDERATION SENATE BILL NO. 440, ATTACH THE FOLLOWING STATEMENT OF INTENT:

49th Legislature LC 1700

STATEMENT OF INTENT

SENATE BILL NO. 440

A statement of intent is required for this bill because it requires the adoption of rules by the workers' compensation division of the department of labor and industry.

The legislature intends that the division adopt only those rules required by section 4 of this bill.

The rules adopted by the division to implement section 4 should require the submission of information regarding the following:

(1) the requirements for formation and certification of an association, corporation, or org nization of employers to operate as a group self-insured employer, including provisions for the addition of new members and the withdrawal of existing members;

(2) requirements for proof of solvency of the group self-insurer and to maintain security to insure payment of obligations under the act;

(3) requirements for an indemnity agreement and power of attorney between the individual employers within the group, including the requirement that all members of the group remain jointly and severally liable;

(4) requirements for and confirmation of excess liability insurance;

(5) requirements for management of the association and annual reports to the division;

(6) requirements for auditing the group self-insurer to determine that it is meeting its obligations under the Workers' Compensation Act;

(7) provisions for the termination of group self-insurance by the group on request and for termination by the division upon determination that the group no longer meets the requirements for certification as self-insured and for determining responsibility for pending claims.

The legislature intends that all group self-insured employers must comply with the provisions of the act and rules enacted thereunder. In developing rules, the legislature intends that employees of the group self-insurer have as much assurance as reasonably possible of the benefits to which they are entitled under the act.

STANDING COMMITTEE REPORT

February 22 19 85

MR. PRESIDENT

We, your committee on LABOR AND EMPLOYMENT RELATIONS

having had under consideration SENATE BILL No. 440

first reading copy (white color)

ALLOW EMPLOYERS TO OPERATE AS SELF-INSURED UNDER WORKERS' COMPENSATION ACT;

Respectfully report as follows: That SENATE BILL No. 440

be amended as follows:

1. Page 3, lines 3 and 4.
Following: "employer" on line 3
Strike: remainder of line 3 through "of" on line 4
Insert: "has lost his solvency or financial ability to pay"

2. Page 3, line 13.
Following: "for"
Strike: "such"
Insert: "the"
Following: "payment"
Insert: "of compensation"

AND AS AMENDED
DO PASS

~~DO PASS~~

~~DO NOT PASS~~

SENATOR J. D. LYNCH, Chairman.

(To be kept current -- post bills when entering being heard or leaving committee.)

Form CS-32

STATUS SHEET

49TH LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND LABOR

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CONCURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CONCURRED IN DATE
409	3-7	3-22/3-28	3-28				3-28		
423	3-7	3-26	3-26				3-26		
438	3-7	3-25	3-25					3-25	
440	3-7	3-22/3-27 3-28	3-28				3-28		
446	3-7	3-19/3-20	3-20					3-20	
447	3-7	3-22/3-28	3-28				3-28		
450	3-7	3-21	3-21				3-21		
452	3-7	3-19/3-20 3-29	3-29	TABLED AS AMENDED			(SUBCOMMITTEE)		

Use a separate sheet for Senate, House Bills, and Resolutions

opponents present, all were excused by the chairman and the hearing on Senate Bill 337 was closed.

ACTION ON SENATE BILL 337: Representative Thomas moved DO PASS on Senate Bill 337. Representative Schultz asked Sue Mohr if this is setting up a judge/jury situation. Ms. Mohr stated priority will be given as far as due process is concerned. Question being called, Senate Bill 337 will BE CONCURRED IN by unanimous vote.

SENATE BILL 440: Hearing commenced on Senate Bill 440. Senator Bob Williams, District #15, sponsor of the bill, stated this includes in the definition of "employer" under the Workers' Compensation Act, any group that meets the requirements set by the Division to operate as self-insured under Plan No. 1. Exhibit 5 was distributed to committee members by Senator Williams.

Proponent Jay Downen, representing the Montana Telephone Association of Independent Communities, stated they worked with the division to establish a self insurance program. The concern about safety programs is present. The co-ops are large enough to pool their assets and engage in Plan 1 under the division. Co-ops are non-profit and operate at high costs, added Mr. Downen.

Proponent Gary Blewett, Administrator, Division of Workers Compansation, Department of Labor and Industry, supplied written testimony which is attached hereto as Exhibit 6. Mr. Blewett explained the amendments proposed by him.

Proponent Bob James, representing the Montana Association of Utilities, stated this extends Plan 1. He tried to contact the insurance commissioner and others invloved. Mr. James stated that Oregon has similar legislation.

Proponent John Lahr, representing the Montana Power Company, stated the divisions amendments stretches the rule by introducing more than one subject in a bill. This will cost rate payers and the reason for self insurance is to reduce the cost. Montana Power currently has between 2 and 3 million dollars outstanding in workers compensation liability. There must be a method of picking up the Hunt Brothers, but leaving the healthy alone.

Proponent Jim Hughes, representing Mountain Bell, stated the proposed amendment is redundant. Utilities need not incur other costs to stay in business. A method of solving

the problems and not raising the costs must be found.

Proponent Jim Murry, Executive Secretary, Montana State AFL-CIO, offered his support and stated this will afford the best protection for workers. Mr. Murry supports the amendment proposed and stated additional safeguards are needed and the amendment provides for that.

Proponent George Wood, Executive Secretary, Montana Self Insurers Association, voiced his opposition to the amendment. Every self insurer has a back up and it does not make sense to require a bond. A top company pays $7 per $1000 for a surety bond and if a financial statement was not sufficient, a company would not be allowed to operate.

Proponent Keith Olson, Executive Director, Montana Logging Association, stated carriers are not interested in the logging business. Over 2 million dollars in premium are paid each year.

Proponents Dave Wanzenried, Commissioner, Department of Labor and Industry, stated this is not a department bill, and that the council should look at this during the interim period.

Opponent Glen Drake, representing the American Insurance Association, stated he is not opposed to the concept,but self insurance should be uniformally and properly regulated. The bill puts the regulating function on the insurance commissioner and does not leave all decisions up to the division. The opinion of Richard Bach, attorney for the Insurance Commissioner is that this falls into reciprocal insurance and that the drafter did not consider present law. The bill is in direct conflict with existing law and this should be referred to the governor's advisory council on workers compensation. Exhibits 7 and 8 are attached.

In closing, Senator Williams, stated that a two year study could cause the loss of 1/2 million dollars and the bill should be passed as it appears.

Representative Driscoll asked Glen Drake who would sue if a worker can not sue for punitive damages under workers compensation insurance. Mr. Drake explained that a jester would be handling the claim and a suit could be brought about individually for the mis-handling of a claim.

Representative Driscoll asked George Wood how often a financial statement must be filed if you become a self-insured corporation. Mr. Wood explained that it is

Exhibit 6
3/22/85
SB440
Submitted by: Gary Blewe

Before the House Business and Labor Committee

TESTIMONY CONCERNING SB440 and PROPOSED AMENDMENT
by
Gary Blewett, Workers' Compensation Division Administrator

March 22, 1985

The Department of Labor and Industry supports SB440 as it affects associations who want to self-insure. It is a strong bill for that purpose because it allows the Workers' Compensation Division to publish rules about requiring interested associations to provide sufficient and effective security to protect injured workers under any circumstances. If the security can't be provided, the association can't self-insure.

The Department proposes amendments to SB440 in order to apply the same stringent security requirements for all self-insurers, not just associations. The current bill will not allow the Division to require up-front security from self-insurers other than associations of employers. The Division is required to find that a non-association employer "has lost his solvency or financial ability to pay" before it can require security (Page 3, lines 3-19).

Shortly after SB440 passed the Senate, one of the Workers' Compensation self-insurers, Great Western Sugar, filed bankruptcy. The Division registers 406 open cases with this company. Some of whom depend for their survival on biweekly payments that Great Western Sugar is supposed to pay them. Because of the limitation placed on the Division's ability to require security, there are no funds available to pay workers' compensation benefits to these claimants.

There are now 51 self-insurers in the Montana workers' compensation system. The Division holds no security to protect any of their claimants. All claimants with self-insurers are dependent on the continued financial strength of these firms for their benefits.

The case of Great Western Sugar shows that requiring security after solvency or financial ability to pay is lost, provides no protection to claimants at all.

Your support of SB440 with these amendments, will provide up-front protection for workers whether they work for employers who self-insure individually or through an association.

Injured GW workers lose benefits

Injured employees of Great Western Sugar Co. are finding themselves in a financial vise.

GW has shut down and filed for protection from its creditors under Chapter 11 of the bankruptcy law. Worker-compensation benefits have come to and end, and injured Montana employees cannot, because of the law, collect unemployment benefits.

About 24 persons, with minimum existing claims of $1.3 million for injury benefits, have been left in the lurch, according to John Yoder, a Billings attorney representing some of the claimants. GW has a sugar refinery in Billings.

The state of Montana has ordered GW to deposit the money with it to cover the claims and has ordered the company to cease operations until it does. The order was issued Friday, a week after GW closed its doors and sent its few remaining employees on furlough.

"It does look a bit strange," said Steven J. Shapiro, chief attorney for the Division of Workers' Compensation. "Under the circumstances we felt it best to issue the suspension order as it could have been possible they would reopen."

The problem stems from the fact that GW is "self-insured" or covering its workers' compensation benefits itself, rather than through an insurance company. State law permits companies to be self-insured if they are certified to do so. Otherwise the injury benefits are supplied through a third-party carrier.

GW was put up for sale by sealed bid in late December with a deadline of Feb. 15. Creditors of GW's parent firm, Hunt International Resources Co. of Dallas, were not satisfied with details of a sale agreement, and GW halted all remaining operations March 1.

Last Thursday, GW filed for protection from its creditors under Chapter 11 of the bankruptcy law in Dallas to reorganize. Attempts to complete the sale are continuing also.

Jack Fulton, GW government relations director, said Wednesday that a sale was not imminent. As for the workers' compensation problem, Fulton said, "I just don't know right now what is happening with that." An attorney with GW in Denver familiar with the order was unavailable Wednesday.

Shapiro in his order told GW to deposit with his agency $35,000 in cash, surety bond or negotiable securities to cover estimated liabilities expected to incur for the balance of the fiscal year.

The order said, "the employer shall cease all operations in the state of Montana until such time as it has made the deposits or given the securities required, or has obtained insurance, and has obtained approval of the division to resume operations."

Thirdly, GW was ordered to deposit $1,278,000 to cover the minimum existing liabilities" to cover those who were receiving temporary total benefits before the companies checks started bouncing three weeks ago.

"These are injured workers who have not been released by their doctors," said Yoder. "This class cannot draw unemployment because they are not fit to work."

"They are having a hard time," said Shapiro. "This is the healing period and that can last for two weeks to two years."

GW had not deposited any money with the state as of Wednesday morning. "A compliance officer from the division has spoken to three persons at GW," said Shapiro. "We will try to get ahold of the bankruptcy court and if it does not order compliance or the company does not voluntarily comply, we will participate in the bankruptcy on behalf of the claimants."

GW continues talks on potential sale

DENVER (AP) — A second-round of buyout talks for Great Western Sugar Co., by a sugar-beet growers organization for five Western states and Hunt International Resources Corp. representatives is continued in Dallas, a SUGRO Inc. spokesman said. "To me that's good, as long as they're talking," said Art Meisner, executive manager of the Greeley-based SUGRO.

He said the latest round of talks between the growers association and Hunt representatives began Monday, after recessing last Wednesday in New York.

Asked if the second round of talks indicated that SUGRO had the inside track on the bidding for Great Western, Meisner said he could not comment.

Meanwhile, Meisner said the time element was becoming critical for beet growers. "That guy sitting out on that farm who doesn't know what he's going to be doing all summer, that's damn critical. I wouldn't want to be in his shoes," Meisner said.

once a company gets tagged as a takeover target it often gets gobbled up by someone. Media companies are increasingly attractive as "asset plays": someone might buy CBS, for instance, and then sell off its broadcast, record and publishing businesses piecemeal and reap a huge profit. But buying a broadcasting company isn't simple. There's the FCC, which could create years of legal delays even for a nonbroadcaster. There are also public-policy questions that might lead to congressional interference. "Capitol Hill may hate the networks," says analyst R. Joseph Fuchs of Kidder, Peabody & Co., "but the devil you know is better than the devil you don't know."

CBS has other defensive weapons at its disposal: it could pull off a huge acquisition of its own—piling on enough debt to scare off a raider—or find a white knight to snatch it away from a predator. In the end, the company might just luck out. The heavy trading in its stock could be the result of many different speculators buying in hopes of profiting from an eventual takeover bid. ABC had two similar run-ups last year—and the rumored bid never surfaced.

DAVID PAULY in New York with MARGARET GARRARD WARNER in Washington

A Private Crisis, A Public Disgrace

How public a concern is the private life of a government official? Sometimes very public, John Fedders learned last week. As chief enforcement officer of the Securities and Exchange Commission, Fedders had racked up an impressive record pursuing a range of securities-law violators. But as a front-page story in The Wall Street Journal described, Fedders, formerly a lawyer in private practice, was also experiencing serious financial difficulties stemming in part from the pay cut he took to work for the government. Worse, he was embroiled in a contentious divorce trial—during which he admitted to having beaten his wife, Charlotte, seven times during the course of their 18-year marriage. According to Mrs. Fedders's testimony in a divorce proceeding in Maryland, the beatings had left her with a broken eardrum, a wrenched neck, several black eyes and many bruises. The day after the Journal's account ran, Fedders resigned.

SEC chairman John Shad accepted Fedders's resignation "with regret" and praised his "exceptional leadership." Others in the Reagan administration were less laudatory. White House counsel Fred Fielding had let the matter drop when reports of the beatings first came to his attention, but after the Journal's story appeared, chief of staff Donald Regan demanded Fedders's departure. "There's an obvious discrepancy between his behavior and those family values the administration espouses," one aide said.

Wilting Roses of Texas

The Hunts and others hit some financial dry holes

Talk about trouble: it's just one thing after another for Bunker Hunt and his younger brother Herbert, whose family practically wrote the book in Texas on how to pile up money. Take last week. The First National Bank of Chicago, to which the Hunts owe a reported $60 million, abruptly froze the funds of the family's Great Western Sugar Co.—and as Hunt interests were negotiating the sale of the company to a beet-growers' association, all Great Western employees were laid off. Then the Commodity Futures Trading Commission charged Bunker and Herbert with illegally manipulating silver prices back in 1979 and 1980—which could subject the brothers to a new round of private lawsuits. But do you hear the Hunts whining? "One should never worry about money," shrugged Bunker last week, even though he may be down to his last billion or so. "Good health and a few good friends are all you need."

Bunker Hunt: 'Good health and a few friends are all you need'

Bunker and Herbert aren't the only Texas moneymen in trouble. The 24 acres of prime land surrounding oilman and former Dallas Cowboys owner Clint Murchison Jr.'s mansion were auctioned off by the banks recently because of unpaid debts. And Ft. Worth tycoon T. Cullen Davis and his third wife have been reduced to flying economy class; their family oil-servicing company has been caught in a financial squeeze from the downturn in oil drilling. Indeed, the gossip these days among wealthy Texans tends to dwell on which high flier may crash next. In Houston, Baron Enrico di Portanova's (occupation: jet-setter) continuing battle for a large share of the Hugh Roy Cullen estate may ultimately put that multimillion-dollar oil fortune at risk. And oilman John Mecom has put his New Orleans Saints football team up for sale, sparking rumors about his financial health.

In fact, the troubles of the Hunts, the Murchisons and the Davises may well spell the end of an era that began when the Texas oil boom took off back in the 1890s. Since then certain families with oil fortunes have been able to open bank vaults simply by uttering their magic names—or secure loans for even the shakiest oil deals with a handshake. But after the near-collapse of Continental Illinois and the failure of Penn Square Bank, banking examiners began looking more closely at uncollateralized Texas loans—and didn't like what they saw. What's happening now, says David Johnson, a business analyst for E.F. Hutton, "tells a lot of these guys who've been riding high on leverage that they don't have any guarantee of staying there." One Texas oilman, whose own fortune is still intact, even expects some good coming from that. He foresees "a renewed sense of fiscal responsibility" as Texans realize that "anybody can go broke if they make bad deals."

While they are far from broke, Bunker and Herbert Hunt are certainly experts on bad deals. They are two of the 15 children of the legendary H. L. Hunt, who once boasted he needed income of $1 million a week "just to keep from starving" but still brought his meager lunch to the office in a brown paper bag. When he died in 1974, H. L. left an estate valued at $4 billion; his offspring increased that by investments in everything from oil to cattle to apartment houses.

But in the past five years, deal after deal has gone sour. A few years ago, the Hunts lost a stunning $1.5 billion when the price of silver plunged; a family friend says the brothers still have 59 million ounces of the

metal sitting in a Delaware bank, for which they paid $11.09 an ounce and which now sells for only $5.80. Hunt International Resources, a real-estate, energy and sugar-processing conglomerate, disclosed this month that it and its affiliates had debts totaling $389.2 million—$295 million of it in default. The Hunts' lignite-mine holdings in Montana and North Dakota have dropped in value by two-thirds, Bunker acknowledges, and the brothers have been bombarded by lawsuits growing out of failed deals. Just to top it off, the Internal Revenue Service is suing the brothers for a reported $238 million in back taxes. In all, according to some accounts, the collective fortunes of Bunker, Herbert and Lamar, a third brother, have plummeted by more than $4 billion in the past four years. Bunker, for one, won't say whether that figure is accurate or not. "I don't count my money very often," he told NEWSWEEK last week. "I don't count it at all, except in the normal course of business."

Herbert and Bunker testify to Congress during their 1980 silver spree: No worries

Bandwagon: The Hunts' problems are traceable to bad strategy, bad management and bad luck. Their investments in recent years were based on the belief that continuing high inflation was a fact of life—and they concentrated on real estate, natural resources, silver and other commodities which would grow in value in that economic climate. In the late 1970s, when inflation seemed out of control, that strategy worked wonderfully—but in these days of relatively stable prices, it is ruinous. Says Barbara Timmer, a former counsel for the House subcommittee that investigated the Hunts' silver buying: "The [Hunts'] ideology got them on a bandwagon a little late and they never got off."

Their involvement in sugar is a good example of the Hunts' bad judgment—and bad luck. They were apparently attracted to sugar in 1974 because of a sudden tremendous run-up in prices. "Some of their rich friends were asking them, 'How come you're the only kid on the block not making money in sugar?'," says one sugar-industry source. "So the Hunts came in—but by that time the party was over." In November 1974 an oversupply of sugar—and the growing public perception that too much sugar is unhealthy—sent prices into a tailspin. Moreover, say industry insiders, the Hunts aggravated an already bad situation with their arrogant and high-handed management. The bottom line is that they simply didn't know the sugar business. "When the collapse came," says New York sugar broker Nicholas Stevenson, "they were stuck with a lot of high-priced sugar inventory in a declining market."

Another bad investment—at least for now—are the Hunt holdings in the Beaufort Sea oil fields on the Canada-Alaska border. During the 1960s, the Hunts leased roughly 1.5 million Canadian acres for exploration. But the Canadian government has imposed stiff environmental rules governing the pipelines that will bring any oil to the United States. It also cut back on the tax breaks once offered to developers of the field. Demand for oil has dropped sharply in recent years, and in any case, the acres owned by the Hunts are for now simply inaccessible. "They're in deep water, they're ice-bound and there's not technology today to get the oil and gas out of there," claims one Dallas energy expert who used to work for the Hunts. "Oil would have to be $50 a barrel for it to be profitable in this frontier area."

SHELLY KATZ—BLACK STAR

CARLOS OSORIO—AP

Davis and Murchison: A tough new game for Texas high rollers?

On Thursday of last week, when the bulk of the latest bad news hit, Bunker Hunt's secretary reported that, uncharacteristically, when her boss arrived at work he did not even pause to say hello or pick up any messages. Instead, he marched resolutely into his office, shut the door and remained there *all* day. In Dallas, lawyers for the ailing and wheelchairbound Clint Murchison Jr. were busy preparing his defense against more than 20 creditors, who are seeking roughly $140 million from him. And Cullen Davis and his brother, Ken, were warding off their own pack of creditors: 28 banks who petitioned a federal court in Dallas to put Kendavis Industries International Inc. into bankruptcy, claiming that the Davis brothers owe them more than $316 million.

New Rules: For his part, Bunker Hunt insists that while his family may be down, they are far from out. He is confident their investments in energy and real estate will pay off—and that despite the family's problems with its bankers, "the overall picture looks pretty good." "The outlooks and attitudes of the wealthy Texas families have not changed; they are still going after big plays, perhaps even those with high risks," said George Christy, a professor of finance at North Texas State University. But the attitudes of the banks, sobered by the fall in oil prices and real-estate values, have changed dramatically. If concerns about the financial health of the Texas families spread, some experts worry that they could dry up bank lending and lead others to back away from doing business with the families—perhaps even resulting in a domino effect that would bring down their empires. As one Dallas banker put it, "We're not covering their ass anymore."

TOM NICHOLSON with NIKKI FINKE GREENBERG and CHRISTOPHER MA in Washington, DANIEL SHAPIRO in Houston and DOUG TSURUOKA in New York

PROPOSED AMENDMENTS TO SENATE BILL NO. 440

REFERENCE BILL

BY DEPARTMENT OF LABOR AND INDUSTRY

1. Title, line 7.

Following: "AS SELF-INSURED;"

Insert: "REQUIRING SECURITY AND EXCESS LIABIITY INSURANCE OF ALL SELF-INSURED EMPLOYERS;"

2. Page 2, line 6.

Following: "individual liability"

Insert: ", excess liability insurance."

3. Page 2, line 9.

Following: "provided for,"

Insert: "and the employer shall meet the other requirements of this part,"

4. Page 2, lines 21 and 22.

Following: "under this chapter."

Insert: "(3)"

Following: "An"

Strike: "association, corporation, or organization of employers"

Insert: "employer"

5. Page 3, lines 3 - 12.

Following: "Requiring security of employer. (1)"

Strike: remainder of line 3 through "plan No. 1, the" on line 12.

Insert: "The"

Following: "division must require"

Strike: "the"

Insert: "an"

6. Page 3, line 25.

Following: "undertaking"

Insert: "issued by a surety company licensed to do business in this state and"

7. Page 4, line 1.

Following: "fixed by"

Strike: "it with two or more sufficient sureties"

Insert: "the Division"

8. Page 4, line 6.

Following: "consist of any"

Insert: "United States"

PROPOSED AMENDMENT TO SENATE BILL NO. 440

STATEMENT OF INTENT

1. Page 1, line 10.

Following: "those rules"

Strike: "required by section 4 of this bill."

Insert: "to provide for:"

2. Page 1, lines 11 to 13.

Strike: lines 11 to 13 in their entirety.

Insert: "(1) the requirements for certification of an employer as self-insured under the act;"

Renumber: subsequent sections.

3. Page 1, lines 19 to 20.

Following: "solvency of"

Strike: "the group self-insurer"

Insert: "self-insurers"

4. Page 1, lines 23 - 24.

Following: "individual employers"

Strike: "within the group"

Insert : "of a group self-insurer"

5. Page 2, line 3.

Following: "management of the"

Strike: "association"

Insert: "group self-insurer"

6. Page 2, line 5.

Following: "auditing the"

Strike: "group"

7. Page 2, line 8.

Following: "termination of"

Strike: "group"

8. Page 2, line 9.

Fofllowing: "by the"

Strike: "group"

Insert: "employer"

9. Page 2, line 10.

Following: "determination that the"

Strike: "group"

Insert: "employer"

10. Page 2, line 13.

Following: "that all"

Strike: "group"

11. Page 2, line 16.

Following: "employees of the"

Strike: "group"

Insurance Dept. Phone
(406) 444-2996

STATE AUDITOR

STATE OF MONTANA

Exhibit 7
3/22/85
SB440
Submitted by
Glen Drake

ANDREA "ANDY" BENNETT
STATE AUDITOR

COMMISSIONER OF INSURANCE
COMMISSIONER OF SECURITIES

March 21, 1985

Mr. Glen L. Drake
Keller, Reynolds, Drake, Sternhagen
& Johnson
Attorneys at Law
38 South Last Chance Gulch
Helena, MT 59601

Dear Mr. Drake:

Please be advised that in my opinion as General Counsel for the Insurance Division of the State of Montana, Senate Bill 440 does fall within the scope of the Montana Insurance Code, Chapter 5, regarding reciprocal insurers. Therefore, the Commissioner of Insurance would require that any group participating in the program proposed by Senate Bill 440 would have to comply with the Montana Insurance Code regarding reciprocal insurance.

Sincerely,

Richard E. Bach
General Counsel

REB/cal

Exhibit 8
3/22/85
SB440
Submitted by: Glen Drake

AMERICAN INSURANCE ASSOCIATION

85 John Street
New York, N. Y. 10038
(212) 669-0400

RECEIVED
DEC 22 1983
AMERICAN INSURANCE ASSOCIATION

December 15, 1983

TO THE WORKERS' COMPENSATION COMMITTEE

RE: N.A.I.C. Group Self Insurance Model Act

Attached is the model act for group self insurance adopted by the N.A.I.C. at the December 9th San Diego meeting.

Municipal groups are excluded from this model because it was felt that the requirements for private groups are in many cases inapplicable to municipal or public groups. For example, many states prohibit joint and several liability for municipalities and some exempt them from taxation. The (D) Task Force will draft a separate model bill for municipal groups and seek its adoption at the June meeting in New Orleans.

The primary pupose of the model is to ensure solvency of groups. This is accomplished by minimum deposits, net worth and annual premium requirements, examinations and an indemnity agreement requiring joint and several liability. Groups must adhere to the classification system, experience rating plan and the manual rules filed with the Commissioner. Groups may make their own rates after five years if they have sufficient loss experience. The model prohibits a service company and an administrator from having a financial interest in one another and prohibits making the payment of refunds or dividends contingent on continued membership in the group.

Yours sincerely,

Charles Coakley
Secretary

CC:jv

cc: Regional Vice Presidents

WILLIAM O. BAILEY, CHAIRMAN PETER LARDNER, VICE CHAIRMAN EDWARD H. BUDD, VICE CHAIRMAN T. LAWRENCE JONES, PRESIDENT

NAIC WORKERS' COMPENSATION GROUP SELF-INSURANCE MODEL ACT

DRAFT 5

December 3, 1983

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NAIC WORKERS' COMPENSATION GROUP SELF-INSURANCE MODEL ACT

Section 1. Scope.

The provisions of this Act shall apply to workers' compensation self-insurance groups. This Act shall not apply to public employees or governmental entities. Groups which are issued a certificate of approval by the commissioner shall not be deemed to be insurers or insurance companies and shall not be subject to the provisions of the insurance laws and regulations except as otherwise provided herein.

Section 2. Definitions.

A. "Administrator" means an individual, partnership or corporation engaged by a workers' compensation self-insurance group's board of trustees to carry out the policies established by the group's board of trustees and to provide day to day management of the group.

B. "Commissioner" means the Commissioner of Insurance.

DRAFTING NOTE: See discussion on the regulation of groups by either the insurance department or workers' compensation agency on pp. 72-75 in the NAIC Study Committee report.

C. "Insolvent" or "Insolvency" means the inability of a workers' compensation self-insurance group to pay its outstanding lawful obligations as they mature in the regular course of business, as may be shown either by an excess of its required reserves and other liabilities over its assets or by its not having sufficient assets to reinsure all of its outstanding liabilities after paying all accrued claims owed by it.

D. "Net premium" means premium derived from standard premium adjusted by any advance premium discounts.

E. "Service company" means a person or entity which provides services not provided by the administrator, including but not limited to, (a) claims adjustment, (b) safety engineering, (c) compilation of statistics and the preparation of premium, loss and tax reports, (d) preparation of other required self-insurance reports, (e) development of members' assessments and fees, and (f) administration of a claim fund.

F. "Standard premium" means the premium derived from the manual rates adjusted by experience modification factors but before advance premium discounts.

G. "Workers' compensation," when used as a modifier of "benefits," "liabilities," or "obligations" means both workers' compensation and employer's liability.

H. "Workers' compensation self-insurance group" or "group" means a not-for-profit unincorporated association consisting of five or more employers who are engaged in the same or similar type of business, who are members of the same bona fide trade or professional association which has been in existence for not less than five years, and who enter into agreements to pool their liabilities for workers' compensation benefits and employer's liability in this state.

DRAFTING NOTE: States may wish to use other terminology to describe groups, e.g., associations, funds, or pools.

Before a state chooses to delete the language "who are engaged in the same or similar type of business and" it is recommended that the drafter carefully review the discussion of the issues involved, see pp. 22-25 of the Study Committee report.

Section 3. Authority To Act As A Workers' Compensation Self-insurance Group.

No person or entity shall act as a workers' compensation self-insurance group except as so authorized by the commissioner.

Section 4. Qualifications for Initial Approval and Continued Authority to Act As A Workers' Compensation Self-insurance Group.

A. A proposed workers' compensation self-insurance group shall file with the commissioner its application for a certificate of approval accompanied by a non-refundable filing fee in the amount of $____. The application shall include the group's name, location of its principal office, date of organization, name and address of each member, and such other information as the commissioner may reasonably require, together with the following:

1. Proof of compliance with the provisions of Subsection B of this Section.
2. A copy of the articles of association, if any.
3. A copy of agreements with the administrator and with any service company.
4. A copy of the bylaws of the proposed group.
5. A copy of the agreement between the group and each member securing the payment of workers' compensation benefits.
6. Designation of the initial board of trustees and administrator.
7. The address in this state where the books and records of the group will be maintained at all times.
8. A pro forma financial statement on a form acceptable to the commissioner showing the financial ability of the group to pay the workers' compensation obligations of its members.

9. Proof of payment to the group by each member of not less than 25% of that member's first year estimated annual net premium on a date prescribed by the commissioner. Such payment shall be considered the initial premium payment of each member required by Section 18 if the proposed group is granted a certificate of approval.

B. To obtain and to maintain its certificate of approval a workers' compensation self-insurance group shall comply with the following requirements as well as any other requirements established by law or regulation:

1. A combined net worth of all members of a group of private employers of at least $1,000,000.

2. Security in a form and amount prescribed by the commissioner which shall be provided by either a surety bond, security deposit or financial security endorsement or any combination thereof. If a surety bond is used to meet the security requirement, it shall be issued by a corporate surety company authorized to transact business in this state. If a security deposit is used to meet the security requirement, securities shall be limited to bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America, or by an agency or instrumentality thereof; certificates of deposit in a federally insured bank; shares or savings deposits in a federally insured savings and loan association or credit union; or any bond or security issued by a State of the United

States of America and backed by the full faith and credit of the State. A financial security endorsement, issued as part of an acceptable excess insurance contract, may be used to meet all or part of the security requirement. The bond, security deposit, or financial security endorsement shall be (a) for the benefit of the state solely to pay claims and associated expenses and (b) payable upon the failure of the group to pay workers' compensation benefits it is legally obligated to pay.

The commissioner may establish requirements for the amount of security based on differences among groups in their size, types of employments, years in existence, and other relevant factors; however, the commissioner may not require an amount lower than $100,000 for any group during its first year of operation.

3. Specific and aggregate excess insurance in a form, in an amount, and by an insurance company acceptable to the commissioner. The commissioner may establish minimum requirements for the amount of specific and aggregate excess insurance based on differences among groups in their size, types of employments, years in existence and other relevant factors and may permit a group to meet this requirement by placing in a designated depository securities of the type referred to in Paragraph 2 of this Subsection.

4. An estimated annual standard premium of at least $250,000 during a group's first year of operation. Thereafter, the annual standard premium shall be at least $500,000.

5. An indemnity agreement jointly and severally binding the group and each member thereof to meet the workers' compensation obligations of each member. The indemnity agreement shall be in a form prescribed by the commissioner and shall include minimum uniform substantive provisions prescribed by the commissioner. Subject to the commissioner's approval, a group may add other provisions needed because of its particular circumstances.

6. A fidelity bond for the administrator in a form and amount prescribed by the commissioner.

7. A fidelity bond for the service company in a form and amount acceptable to the commissioner. The commissioner may also require the service company providing claim services to furnish a performance bond in a form and amount acceptable to the commissioner.

C. A group shall notify the commissioner of any change in the information required to be filed under Subsection A of this Section or in the manner of its compliance with Subsection B of this Section no later than 30 days after such change.

D. The commissioner shall evaluate the information provided by the application required to be filed under Subsection A of this Section to assure that no gaps in funding exist and that funds necessary to pay workers' compensation benefits will be available on a timely basis.

E. The commissioner shall act upon a completed application for a certificate of approval within 60 days. If, because of the number of applications, the commissioner is unable to act upon an application within this period, the commissioner shall have an additional 60 days to so act.

F. The commissioner shall issue to the group a certificate of approval upon finding that the proposed group has met all requirements or he shall issue an order refusing such certificate setting forth reasons for such refusal upon finding that the proposed group does not meet all requirements.

G. Each workers' compensation self-insurance group shall be deemed to have appointed the commissioner as its attorney to receive service of legal process issued against it in this state. The appointment shall be irrevocable, shall bind any successor in interest, and shall remain in effect as long as there is in this state any obligation or liability of the group for workers' compensation benefits.

Section 5. Certificate of Approval; Termination.

A. The certificate of approval issued by the commissioner to a workers' compensation self-insurance group authorizes the group to provide workers' compensation benefits. The certificate of approval remains in effect until terminated at the request of the group or revoked by the commissioner.

B. The commissioner shall not grant the request of any group to terminate its certificate of approval unless the group has insured or reinsured all incurred workers' compensation obligations with an authorized insurer under an agreement filed with and approved in writing by the

commissioner. Such obligations shall include both known claims and expenses associated therewith and claims incurred but not reported and expenses associated therewith. Subject to the approval of the commissioner, a group may merge with another group engaged in the same or similar type of business only if the resulting group assumes in full all obligations of the merging groups. The commissioner shall hold a hearing on the merger if any party, including a member of either group, so requests.

DRAFTING NOTE: Before a state chooses to delete the language "engaged in the same or similar type of business" it is recommended that the drafter carefully review the discussion of the issues involved, see pp. 22-25 of the Study Committee report.

Section 6. Examinations

The commissioner shall examine the affairs, transactions, accounts, records and assets of each group as often as the commissioner deems advisable, but not less often than once every three years. The expense of such examinations shall be assessed against the group in the same manner that insurers are assessed for examinations.

Section 7. Board of Trustees: Membership, Powers, Duties, and Prohibitions.

Each group shall be operated by a board of trustees which shall consist of not less than five persons whom the members of a group elect for stated terms of office. At least two-thirds of the trustees shall be employees, officers, or directors of members of the group. The group's administrator, service company, or any owner, officer, employee of, or any other person affiliated with, such administrator or service company shall not serve on the board of trustees of the group. All trustees shall be residents of this state or officers of corporations authorized to do business in this state. The

board of trustees of each group shall ensure that all claims are paid promptly and take all necessary precautions to safeguard the assets of the group, including all of the following:

A. The board of trustees shall:

1. Maintain responsibility for all monies collected or disbursed from the group and segregate all monies into a claims fund account and an administrative fund account. At least 70% of the net premium shall be placed into a designated depository for the sole purpose of paying claims, allocated claims expenses, reinsurance or excess insurance, and special fund contributions. This shall be called the claims fund account. The remaining net premium shall be placed into a designated depository for the payment of taxes, general regulatory fees and assessments, and administrative costs. This shall be called the administrative fund account. The commissioner may approve an administrative fund account of more than 30% and a claims fund account of less than 70% only if the group shows to the commissioner's satisfaction that (a) more than 30% is needed for an effective safety and loss control program or (b) the group's aggregate excess insurance attaches at less than 70%.

DRAFTING NOTE: Special fund contributions include second injury and other loss related funds. Administrative costs include guaranty fund assessments.

2. Maintain minutes of its meetings and make such minutes available to the commissioner.

3. Designate an administrator to carry out the policies established by the board of trustees and to provide day to day management of the

group, and delineate in the written minutes of its meetings the areas of authority it delegates to the administrator.

4. Retain an independent certified public accountant to prepare the statement of financial condition required by Subsection A of Section 11.

B. The board of trustees shall not:

1. Extend credit to individual members for payment of a premium, except pursuant to payment plans approved by the commissioner.

2. Borrow any monies from the group or in the name of the group except in the ordinary course of business, without first advising the commissioner of the nature and purpose of the loan and obtaining prior approval from the commissioner.

Section 8. Group membership; Termination; Liability.

A. An employer joining a workers' compensation self-insurance group after the group has been issued a certificate of approval shall (1) submit an application for membership to the board of trustees or its administrator and (2) enter into the indemnity agreement required by Subsection B.5 of Section 4. Membership takes effect no earlier than each member's date of approval. The application for membership and its approval shall be maintained as permanent records of the board of trustees.

B. Individual members of a group shall be subject to cancellation by the group pursuant to the bylaws of the group. In addition, individual members may elect to terminate their participation in the group. The group shall

notify the commissioner and the workers' compensation agency of the termination or cancellation of a member within 10 days and shall maintain coverage of each cancelled or terminated member for 30 days after such notice unless the group is notified sooner by the workers' compensation agency that the cancelled or terminated member has procured workers' compensation insurance, has become an approved self-insurer, or has become a member of another group.

C. The group shall pay all workers' compensation benefits for which each member incurs liability during its period of membership. A member who elects to terminate its membership or is cancelled by a group remains jointly and severally liable for workers' compensation obligations of the group and its members which were incurred during the cancelled or terminated member's period of membership.

D. A group member is not relieved of its workers' compensation liabilities incurred during its period of membership except through payment by the group or the member of required workers' compensation benefits.

E. The insolvency or bankruptcy of a member does not relieve the group or any other member of liability for the payment of any workers' compensation benefits incurred during the insolvent or bankrupt member's period of membership.

DRAFTING NOTE: This language should not be interpreted as negating any other statute or case law limiting defenses.

Section 9. Service Companies.

A. No service company or its employees, officers or directors shall be

an employee, officer or director of, or have either a direct or indirect financial interest in, an administrator. No administrator or its employees, officers or directors shall be an employee, officer or director of, or have either a direct or indirect financial interest in, a service company.

B. Unless the commissioner otherwise permits, the service contract shall state that the service company shall handle to their conclusion all claims and other obligations incurred during the contract period.

Section 10. Licensing of Agents.

Except for a salaried employee of a group, its administrator or its service company, any person soliciting membership in a workers' compensation self-insurance group must be licensed as provided (in Section ___ of the insurance code).

Section 11. Financial Statements and Other Reports.

A. Each group shall submit to the commissioner a statement of financial condition audited by an independent certified public accountant on or before the last day of the sixth month following the end of the group's fiscal year. The financial statement shall be on a form prescribed by the commissioner and shall include, but not be limited to, actuarially appropriate reserves for (1) known claims and expenses associated therewith, (2) claims incurred but not reported and expenses associated therewith, (3) unearned premiums and (4) bad debts, which reserves shall be shown as liabilities. An actuarial opinion regarding reserves for (1) known claims and expenses associated therewith and (2) claims incurred but not reported and expenses associated therewith shall be included in the audited financial statement. The actuarial opinion shall be given by a

member of the American Academy of Actuaries or other qualified loss reserve specialist as defined in the annual statement adopted by the National Association of Insurance Commissioners.

B. The commissioner may prescribe a uniform accounting system for all groups to ensure the accurate and complete reporting of groups' financial information.

C. The commissioner may prescribe the format and frequency of other reports which may include, but shall not be limited to, payroll audit reports, summary loss reports, and quarterly financial statements.

Section 12. Taxes.

DRAFTING NOTE: A state that imposes a premium tax or other tax on workers' compensation insurers will have to decide whether such tax should be imposed on groups. However, a state that dedicates a premium tax or other tax on workers' compensation insurance principally for workers' compensation purposes, e.g., administration or a special fund, should impose such tax on groups. See pp. 45-47 of the Study Committee report.

Section 13. Fees and Assessments.

DRAFTING NOTE: Fees and assessments for second injury funds or other special funds or for administrative funds associated with the insurance department or the workers' compensation agency should be imposed on groups in the same manner that they are imposed on insurance companies or self-insurers. See pp. 45-47 of the Study Committee report.

Section 14. Misrepresentation Prohibited.

No person shall make a material misrepresentation or omission of a material fact in connection with the solicitation of a membership of a group.

Section 15. Investments.

Funds not needed for current obligations may be invested by the board of trustees in accordance with (Section ___ of the insurance code regarding

investments of property and casualty insurers.)

Section 16. Rates and Reporting of Rates.

A. Every workers' compensation self-insurance group shall adhere to the uniform classification system, uniform experience rating plan, and manual rules filed with the commissioner by an advisory organization designated by the commissioner.

B. Premium contributions to the group shall be determined by applying the manual rates and rules to the appropriate classification of each member which shall be adjusted by each member's experience credit or debit. Subject to approval by the commissioner, premium contributions may also be reduced by an advance premium discount reflecting the group's expense levels and loss experience.

C. Notwithstanding Subsection B of this Section, a group may apply to the commissioner for permission to make its own rates. Such rates shall be based on at least five years of the group's experience.

NOTE: States that have adopted the Alternative Model Workers' Compensation Competitive Rating Act should use the following provision in place of Subsections B and C above:

> Every group shall use the pure premium rates filed with the commissioner by the designated advisory organization plus an additional amount representing the member's portion of estimated expenses. A group may contract with an advisory organization approved by the commissioner for assistance in developing appropriate rates.

D. Each group shall be audited at least annually by an auditor acceptable to the commissioner to verify proper classifications, experience rating, payroll and rates. A report of the audit shall be filed with the commissioner in a form acceptable to the commissioner. A group or any member thereof may request a hearing on any objections to the classifications. If the commissioner determines that as a result of an improper classification a member's premium contribution is insufficient, he shall order the group to assess that member an amount equal to the deficiency. If the commissioner determines that as a result of an improper classification a member's premium is excessive, he shall order the group to refund to the member the excess collected. The audit shall be at the expense of the group.

Section 17. Refunds.

A. Any monies for a fund year in excess of the amount necessary to fund all obligations for that fund year may be declared to be refundable by the board of trustees not less than 12 months after the end of the fund year.

DRAFTING NOTE: In those states where dividends may be paid earlier than 12 months, the time limit should be changed to conform to state practice.

B. Each member shall be given a written description of the refund plan at the time of application for membership. A refund for any fund year shall be paid only to those employers who remained participants in the group for the entire fund year. Payment of a refund based on a previous fund year shall not be contingent on continued membership in the group after that fund year.

Section 18. Premium payment; Reserves.

A. Each group shall establish to the satisfaction of the commissioner a

premium payment plan which shall include (1) an initial payment by each member of at least 25% of that member's annual premium before the start of the group's fund year and (2) payment of the balance of each member's annual premium within the first ____ months of that fund year in monthly or quarterly installments.

B. Each group shall establish and maintain actuarially appropriate loss reserves which shall include reserves for (1) known claims and expenses associated therewith and (2) claims incurred but not reported and expenses associated therewith.

C. Each group shall establish and maintain bad debt reserves based on the historical experience of the group or other groups.

Section 19. Deficits and Insolvencies

A. If the assets of a group are at any time insufficient to enable the group to discharge its legal liabilities and other obligations and to maintain the reserves required of it under this Act, it shall forthwith make up the deficiency or levy an assessment upon its members for the amount needed to make up the deficiency.

B. In the event of a deficiency in any fund year, such deficiency shall be made up immediately, either from (a) surplus from a fund year other than the current fund year, (b) administrative funds, (c) assessment of the membership, if ordered by the group or, (d) such alternate method as the commissioner may approve or direct. The commissioner shall be notified prior to any transfer of surplus funds from one fund year to another.

C. If the group fails to assess its members or to otherwise make up

such deficit within 30 days, the commissioner shall order it to do so.

D. If the group fails to make the required assessment of its members within 30 days after the commissioner orders it to do so, or if the deficiency is not fully made up within 60 days after the date on which such assessment is made, or within such longer period of time as may be specified by the commissioner, the group shall be deemed to be insolvent.

E. The commissioner shall proceed against an insolvent group in the same manner as the commissioner would proceed against an insolvent domestic insurer in this state as prescribed in (Section ___ of the insurance code regarding liquidation, conservation, etc.). The commissioner shall have the same powers and limitations in such proceedings as are provided under those laws, except as otherwise provided in this act.

F. In the event of the liquidation of a group, the commissioner shall levy an assessment upon its members for such an amount as the commissioner determines to be necessary to discharge all liabilities of the group, including the reasonable cost of liquidation.

Section 20. Guaranty Mechanism. (OPTIONAL)

In the event of a liquidation pursuant to Section 19, after exhausting the security required pursuant to Section 4.B.2., the commissioner shall levy an assessment against all groups to assure prompt payment of such benefits. The assessment on each group shall be based on the proportion that the premium of each group bears to the total premium of all groups. The commissioner may exempt a group from assessment upon finding that the payment of the assessment would render the group insolvent. Such assessment shall not relieve any

member of an insolvent group of its joint and several liability. After any such assessment is made, the commissioner shall take action to enforce the joint and several liability provisions of the insolvent group's indemnity agreement, and shall recoup (1) all costs incurred by the commissioner in enforcing such joint and several liability provisions, (2) amounts that the commissioner assessed any other groups pursuant to this Section, and (3) any obligations included within Subsection F of Section 19.

DRAFTING NOTE: Each state should evaluate carefully the financial security requirements it imposes on workers' compensation groups and, in keeping with its regulatory philosophy regarding workers' compensation benefit guarantees, should make its own decision on whether a guaranty mechanism is needed for groups. If a state decides to establish a guaranty mechanism for groups, the guaranty mechanism should not (1) take the place of any financial security requirements, (2) relieve the members of an insolvent group of their joint and several liabilities, or (3) be prefunded except for minimum administrative expenses.

Section 21. Monetary Penalties

After notice and opportunity for a hearing, the commissioner may impose a monetary penalty on any person or group found to be in violation of any provision of this Act or of any rules or regulations promulgated thereunder. Such monetary penalty shall not exceed $1,000 for each act or violation and shall not exceed $10,000 in the aggregate. The amount of any such monetary penalty shall be paid to the commissioner for the use of the state.

DRAFTING NOTE: The disposition of monetary penalties will have to be set forth by each state according to its own practices.

Section 22. Cease and Desist Orders

A. After notice and opportunity for a hearing, the commissioner may issue an order requiring a person or group to cease and desist from engaging in an act or practice found to be in violation of any provision of this Act or of any rules or regulations promulgated thereunder.

B. Upon a finding, after notice and opportunity for a hearing, that any person or group has violated any cease and desist order, the commissioner may do either or both of the following: (a) impose a monetary penalty of not more than $10,000 for each and every act or violation of such order not to exceed an aggregate monetary penalty of $100,000 or (b) revoke the group's certificate of approval or any insurance license held by the person.

Section 23. Revocation of Certificate of Approval

After notice and opportunity for a hearing, the commissioner may revoke a group's certificate of approval if it (1) is found to be insolvent, (2) fails to pay any premium tax, regulatory fee or assessment, or special fund contribution imposed upon it, or (3) fails to comply with any of the provisions of this Act, with any rules promulgated thereunder, or with any lawful order of the commissioner within the time prescribed. In addition, the commissioner may revoke a group's certificate of approval if, after notice and opportunity for hearing, the commissioner finds that (a) any certificate of approval that was issued to the group was obtained by fraud; (b) there was a material misrepresentation in the application for the certificate of approval; or (c) the group or its administrator has misappropriated, converted, illegally withheld, or refused to pay over upon proper demand any monies that belong to a member, an employee of a member, or a person otherwise entitled thereto and that have been entrusted to the group or its administrator in its fiduciary capacities.

Section 24. Notice and Hearings

DRAFTING NOTE: This section should conform to the state's administrative procedures act and insurance code for notices and hearings resulting in orders of suspension, revocation, cease and desist and monetary forfeitures.

Section 25. Rules and Regulations.

The commissioner shall have power to make rules and regulations in order to implement this Act.

Section 26. Severability Clause.

If any provision of this Act, or the application thereof to any person or circumstance, is subsequently held to be invalid, such invalidity shall not affect other provisions or applications of this Act.

Howe and Nisbet voting no.

ACTION ON SENATE BILL 353: Representative Brandewie moved DO PASS on Senate Bill 353. Second was received, Senate Bill 353 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 440: Representative Schultz moved DO PASS on Senate Bill 440. Representative Kitselman stated there are not enough people to make this work. Representative Schultz stated that this bill gives the option to those that may be interested and we should let them look at it and decide. Representative Glaser asked if this is in conflict with 33-1-101. It was suggested this be looked into. Representative Schultz withdrew his motion.

ACTION ON SENATE BILL 74: Representative Kitselman moved DO PASS on Senate Bill 74 and moved the amendments as shown on the standing committee report attached hereto. The amendments do pass by unanimous vote. Representative Driscoll offered a substitute motion that Senate Bill 74 be TABLED AS AMENDED, and stated the definition of public highway presents a problem. A roll call vote resulted in 10 members voting yes and 10 members voting no. Representative Driscolls motion did fail. Representative Kitselmans DO PASS motion received a 10-10 vote. Senate bill 74 will be sent to the floor WITHOUT RECOMMENDATION AS AMENDED.

ACTION ON SENATE BILL 356: Representative Brown moved DO PASS on Senate Bill 356. Representative Driscoll moved to amend on page 2, line 9, striking newspaper carrier and stated that a carrier should have to be told if they are covered under workers' compensation or not. Representative Driscoll stated that in the case of the Billings Gazette, the newspaper carriers are not acting as independent carriers, they are told what time to deliver the paper, what to charge, when the bill must be paid, etc. Representatives Brandewie and Ellerd agreed with Representative Driscoll. Representative Bachini suggested the parent or guardian should also be made aware. Representative Brown suggested to the committee that a clarification be received and action be deferred. Representative Brown then withdrew her motion.

SENATE BILL 208: Hearing commenced on Senate Bill 208. Senator Tom Towe, District #46, sponsor of the bill, explained this is what remains of the agriculture program. There is a seriou crisis in the agricultural business and three PCA's have recently gone broke. Montana can not

with Representatives Hansen, Kadas and Nisbet voting no. Senate Bill 208 will BE CONCURRED IN with Representatives Ellerd, Hansen and Thomas voting no. Representative Simon moved to reconsider action on Senate Bill 208. The motion did carry with Representatives Ellerd, McCormick, Nisbet, Thomas and Glaser voting no. Representative Schultz suggested the bill be left in its original form and moved to strip all previous amendments. The motion did carry with Representatives Ellerd, Hansen and Thomas voting no. Senate Bill 208 will BE CONCURRED IN with Representatives Ellerd, Hansen and Thomas voting no.

ACTION ON SENATE BILL 399: Representative Brandewie moved DO PASS on Senate Bill 399. Representative Glaser moved the amendment proposed. The motion did fail with a voice vote being taken. Senate Bill 399 will BE CONCURRED IN with Representatives Keller, Jones, Glaser and Ellerd voting no.

ACTION ON SENATE BILL 402: Representative Driscoll moved DO PASS on Senate Bill 402. Representative Kitselman moved the amendments which did pass by unanimous vote. Senate Bill 402 will BE CONCURRED IN AS AMENDED by unanimous vote.

ACTION ON SENATE BILL 447: Representative Driscoll moved DO PASS on Senate Bill 447 and added this is a federal requirement. Second was received, Senate Bill 447 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 409: Representative Thomas moved DO PASS on Senate Bill 409. Representative Kadas moved to amend on page 3, line 19, to reinsert the stricken language as this is fairer to those injured. Representative Kadas then withdrew his motion. Senate Bill 409 will BE CONCURRED IN with all but Representative Kadas voting yes.

ACTION ON SENATE BILL 440: Representative Driscoll moved DO PASS on Senate Bill 440 and moved the amendment as proposed by the Department of Labor. Representative Thomas stated this takes away from the intent of the bill. Representative Kadas stated the department has the authority to check out self insureds and this does not fall under the title of the bill. Representative Schultz added this will effect those already insured. A voice vote defeated Representative Thomas' motion. Senate Bill 440 will BE CONCURRED IN by unanimous vote.

STANDING COMMITTEE REPORT

March 29 19 85

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE Bill No. 440

third reading copy (blue color)

ALLOW EMPLOYERS TO OPERATE AS SELF-INSURED UNDER WORKERS' COMPENSATION ACT

Respectfully report as follows: That SENATE Bill No. 440

~~DO PASS~~
BE CONCURRED IN

Rep. Bob Pavlovich, Chairman.

STATE PUB. CO.
Helena, Mont.

COMMITTEE SECRETARY